

THE CITY OF LARNED, KANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

VONFELDT, BAUER & VONFELDT, CHTD.
Certified Public Accountants
Larned, Kansas 67550

The City of Larned, Kansas
Financial Statements
For the Year Ended December 31, 2010

TABLE OF CONTENTS

<u>Item</u>	<u>Page Number</u>
FINANCIAL SECTION	
Auditors' Report on Financial Statements	1-2
Statement 1	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3-7
Statement 2	
Summary of Expenditures - Actual and Budget	8-9
Statement 3	
Statement of Cash Receipts and Expenditures - Actual and Budget	
General Fund	10
Special Revenue Funds	11-22
Debt Service Fund	23
Capital Project Funds	24-25
Enterprise Funds	26-36
Private Purpose Trust Funds	37-45
Notes to the Financial Statements	46-54
ADDITIONAL INFORMATION	
Schedule 1	
Detailed Schedule of General Fund Receipts and Expenditures	55-58
Schedule 2	
Graphical Analysis	59-69

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VONFELDT, BAUER & VONFELDT, CHTD.

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Larned, Kansas

We have audited the accompanying primary government financial statements of the City of Larned, Kansas, as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City of Larned, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial (and summarized) comparative financial information has been derived from the City's 2009 financial statements and, in our report dated July 7, 2010, we expressed an unqualified opinion on the financial statements taken as a whole.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As discussed more fully in Note 1, the City has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the omission of the discretely presented component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Larned, Kansas as of December 31, 2010, the changes in its financial position, or where applicable, its cash flows for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of the City of Larned, Kansas, as of December 31, 2010 and its cash receipts and expenditures, and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 1.

The schedules presented as additional information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The additional schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

VONFELDT, BAUER & VONFELDT, CHTD.
Certified Public Accountants

August 31, 2011

The City of Larned, Kansas
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2010

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances
Governmental Type Funds:		
General Fund	\$ 813,774.24	\$ 4,284.00
Special Revenue Funds:		
Airport Fund	0.00	0.00
Industrial Fund	11,154.29	0.00
Library Fund	3,694.96	0.00
Trafficways Fund	172,578.40	0.00
Special Parks & Recreation Fund	3,255.24	0.00
Emergency Telephone 911 Fund	87,633.79	0.00
Wireless 911 Tax Fund	13,360.62	0.00
Tourism & Convention Promotion Fund	48,335.69	0.00
D.A.R.E Project Fund	11,299.20	0.00
Risk Management Reserve Fund	29,637.05	0.00
Equipment Reserve Fund	261,666.31	0.00
Capital Improvement Fund	(408,782.49)	0.00
Debt Service Fund:		
Bond & Interest Fund	84,241.93	0.00
Capital Project Funds:		
Edwards Park Improvement Fund	5,339.67	0.00
Housing Development Fund	28,029.64	0.00
Proprietary Type Funds:		
Enterprise Funds:		
Electric Utility Fund	662,618.72	0.00
Electric Reserve Fund	4,167,064.75	3,000.00
Water Utility Fund	58,655.28	0.00
Water Reserve Fund	80,818.30	0.00
Sewage Disposal Fund	161,586.51	0.00
Sewage Disposal Reserve Fund	406,387.87	0.00
Solid Waste Fund	21,804.12	0.00
Solid Waste Reserve Fund	15,000.56	0.00
Airport Facility Fund	35,276.65	0.00
Airport Facility Reserve Fund	2,699.92	0.00
Fiduciary Type Funds:		
Private Purpose Trust Funds:		
EMT Memorial Fund	1,121.33	3,479.33
Schnack Cemetery Fund	29,790.31	0.00
Larned Volunteer Fire Department Fund	7,617.16	0.00
Projects Improvement Fund	2,794.48	0.00
Insurance Proceeds Fund	0.00	0.00

The notes to the financial statements are an integral part of this statement.

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 2,726,358.18	\$ 2,981,678.78	\$ 562,737.64	\$ 78,295.60	\$ 641,033.24
9,146.71	9,146.71	0.00	0.00	0.00
36,549.81	30,150.00	17,554.10	0.00	17,554.10
189,107.19	192,774.68	27.47	0.00	27.47
98,708.74	189,320.32	81,966.82	0.00	81,966.82
12,571.57	12,821.50	3,005.31	0.00	3,005.31
14,076.29	35,880.82	65,829.26	0.00	65,829.26
32,400.89	29,264.35	16,497.16	0.00	16,497.16
26,005.40	29,665.55	44,675.54	0.00	44,675.54
383.70	1,093.80	10,589.10	0.00	10,589.10
9,834.73	16,167.60	23,304.18	0.00	23,304.18
94,507.99	45,549.00	310,625.30	0.00	310,625.30
829,127.82	341,553.74	78,791.59	89,117.00	167,908.59
157,175.56	183,071.25	58,346.24	0.00	58,346.24
5,102.96	0.00	10,442.63	0.00	10,442.63
50.74	0.00	28,080.38	0.00	28,080.38
4,395,990.50	4,024,112.94	1,034,496.28	10,360.00	1,044,856.28
147,370.94	56,677.73	4,260,757.96	32,091.37	4,292,849.33
739,411.78	588,489.80	209,577.26	2,039.59	211,616.85
0.00	8,292.31	72,525.99	8,292.31	80,818.30
611,234.63	698,846.06	73,975.08	0.00	73,975.08
534,369.05	499,308.72	441,448.20	0.00	441,448.20
212,146.82	221,478.18	12,472.76	0.00	12,472.76
0.00	15,000.56	0.00	0.00	0.00
114,718.50	138,171.72	11,823.43	0.00	11,823.43
189,441.72	217,827.75	(25,686.11)	21,382.42	(4,303.69)
1,139.26	159.09	5,580.83	0.00	5,580.83
174.26	0.00	29,964.57	0.00	29,964.57
49.26	1,453.00	6,213.42	0.00	6,213.42
108.34	85.06	2,817.76	0.00	2,817.76
0.00	0.00	0.00	0.00	0.00

The City of Larned, Kansas
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2010

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>
Fiduciary Type Funds: (Cont'd.)		
Private Purpose Trust Funds:		
Eggleston Bequest Fund	52,508.86	0.00
Schnack Trust Fund	25,000.00	0.00
Jordaan Park Fund	65,334.83	0.00
Pride Committee Donation Fund	<u>0.00</u>	<u>0.00</u>
 Total Primary Government Excluding Agency Funds (Memorandum Only)	 <u><u>\$ 6,961,298.19</u></u>	 <u><u>\$ 10,763.33</u></u>

The notes to the financial statements are an integral part of this statement.

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
191.79	8,221.82	44,478.83	0.00	44,478.83
0.00	0.00	25,000.00	0.00	25,000.00
49.26	1,492.45	63,891.64	0.00	63,891.64
<u>12,155.00</u>	<u>0.00</u>	<u>12,155.00</u>	<u>0.00</u>	<u>12,155.00</u>
<u>\$ 11,199,659.39</u>	<u>\$ 10,577,755.29</u>	<u>\$ 7,593,965.62</u>	<u>\$ 241,578.29</u>	<u>\$ 7,835,543.91</u>

The City of Larned, Kansas
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2010

Balance to be Accounted for:	<u>\$ 7,835,543.91</u>
Composition of Cash:	
Petty Cash:	
Cash on Hand	\$ 300.00
Checking Account - First State Bank, Larned, KS (Reconciled)	1,000.00
Checking Account - Farmers Bank & Trust, Larned, KS (Reconciled)	1,500.00
Other City Accounts:	
Checking Account - First State Bank, Larned, KS	28,401.99
NOW Account - First State Bank, Larned, KS	358,734.01
Plus Deposits in Transit	2,771.80
Less Outstanding Checks	(295,916.95)
MMA Account - First State Bank, Larned, KS	2,291,000.30
MMA Account - Farmers Bank & Trust, Larned, KS	748,345.63
Certificates of Deposit - First State Bank, Larned, KS	3,170,407.13
Certificates of Deposit - Farmers Bank & Trust, Larned, KS	529,000.00
Certificates of Deposit - Bank of the West, Larned, KS	<u>1,000,000.00</u>
Total Primary Government	<u>\$ 7,835,543.91</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
For the Year Ended December 31, 2010

Funds	Certified Budget	Adjustment for Qualifying Budget Credits
Governmental Type Funds:		
General Fund	\$ 3,248,034.00	\$ 0.00
Special Revenue Funds:		
Airport Fund	9,727.00	0.00
Industrial Fund	40,270.00	0.00
Library Fund	201,357.00	0.00
Trafficways Fund	190,000.00	0.00
Special Parks & Recreation Fund	16,160.00	0.00
Emergency Telephone 911 Fund	89,491.00	0.00
Wireless 911 Tax Fund	14,190.00	19,444.00
Tourism & Convention Promotion Fund	45,497.00	0.00
D.A.R.E Project Fund	9,626.00	0.00
Debt Service Fund:		
Bond & Interest Fund	233,090.00	0.00
Proprietary Type Funds:		
Enterprise Funds:		
Electric Utility Fund	5,231,800.00	0.00
Water Utility Fund	590,628.00	0.00
Sewage Disposal Fund	724,450.00	0.00
Solid Waste Fund	231,642.00	0.00
Airport Facility Fund	202,684.00	0.00

The notes to the financial statements are an integral part of this statement.

<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ 3,248,034.00	\$ 2,981,678.78	\$ (266,355.22)
9,727.00	9,146.71	(580.29)
40,270.00	30,150.00	(10,120.00)
201,357.00	192,774.68	(8,582.32)
190,000.00	189,320.32	(679.68)
16,160.00	12,821.50	(3,338.50)
89,491.00	35,880.82	(53,610.18)
33,634.00	29,264.35	(4,369.65)
45,497.00	29,665.55	(15,831.45)
9,626.00	1,093.80	(8,532.20)
233,090.00	183,071.25	(50,018.75)
5,231,800.00	4,024,112.94	(1,207,687.06)
590,628.00	588,489.80	(2,138.20)
724,450.00	698,846.06	(25,603.94)
231,642.00	221,478.18	(10,163.82)
202,684.00	138,171.72	(64,512.28)

The City of Larned, Kansas
GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 775,678.40	\$ 781,344.59	\$ 845,962.00	\$ (64,617.41)
Delinquent Tax	15,294.70	17,521.38	0.00	17,521.38
Motor Vehicle Tax	178,618.04	185,706.05	186,857.00	(1,150.95)
Recreational Vehicle Tax	2,486.63	2,455.32	2,409.00	46.32
16/20M Tax	2,321.77	2,437.68	2,567.00	(129.32)
Machinery & Equipment Aid	6,200.08	0.00	0.00	0.00
Franchise Tax	201,344.99	183,761.79	155,000.00	28,761.79
Sales Tax	519,073.97	504,491.71	520,000.00	(15,508.29)
Intergovernmental Revenues	33,930.98	32,863.07	34,440.00	(1,576.93)
Fines and Permits	48,193.30	39,855.57	49,425.00	(9,569.43)
Charges for Services	570,213.99	519,864.42	562,134.00	(42,269.58)
Miscellaneous	73,947.86	153,931.60	59,300.00	94,631.60
Transfers	515,125.00	302,125.00	302,125.00	0.00
Total Cash Receipts	<u>2,942,429.71</u>	<u>2,726,358.18</u>	<u>\$ 2,720,219.00</u>	<u>\$ 6,139.18</u>
Expenditures				
Emergency Medical Service	359,071.45	369,613.36	372,825.00	(3,211.64)
Cemetery Department	145,774.64	117,840.09	176,800.00	(58,959.91)
Fire Department	83,123.73	88,642.80	98,899.00	(10,256.20)
General Government	488,907.10	206,143.10	160,820.00	45,323.10
Park Department	191,135.52	159,891.17	234,850.00	(74,958.83)
Dispatching	229,324.66	243,563.04	259,240.00	(15,676.96)
Police Department	633,626.65	715,155.23	671,950.00	43,205.23
Public Buildings	105,701.39	95,588.85	172,270.00	(76,681.15)
Street Department	416,837.79	711,036.89	562,200.00	148,836.89
Street Lighting	1,966.00	1,334.59	7,100.00	(5,765.41)
Swimming Pool	78,027.47	75,612.19	100,670.00	(25,057.81)
Municipal Court	31,912.22	18,612.82	33,075.00	(14,462.18)
Building Inspection	5,698.75	7,785.65	7,025.00	760.65
Non Operating	0.00	0.00	265,000.00	(265,000.00)
Operating Transfers	225,715.00	170,859.00	125,310.00	45,549.00
Total Expenditures	<u>2,996,822.37</u>	<u>2,981,678.78</u>	<u>\$ 3,248,034.00</u>	<u>\$ (266,355.22)</u>
Receipts Over (Under) Expenditures	(54,392.66)	(255,320.60)		
Unencumbered Cash, Beginning	861,499.90	813,774.24		
Prior Year Cancelled Encumbrances	<u>6,667.00</u>	<u>4,284.00</u>		
Unencumbered Cash, Ending	<u>\$ 813,774.24</u>	<u>\$ 562,737.64</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
AIRPORT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 7,154.06	\$ 7,214.26	\$ 7,804.00	\$ (589.74)
Delinquent Tax	145.91	164.61	0.00	164.61
Motor Vehicle Tax	1,703.01	1,722.16	1,721.00	1.16
Recreational Vehicle Tax	23.57	22.74	22.00	0.74
16/20M Tax	23.00	22.94	24.00	(1.06)
Total Cash Receipts	<u>9,049.55</u>	<u>9,146.71</u>	<u>\$ 9,571.00</u>	<u>\$ (424.29)</u>
Expenditures				
Appropriation	<u>9,049.55</u>	<u>9,146.71</u>	<u>9,727.00</u>	<u>(580.29)</u>
Total Expenditures	<u>9,049.55</u>	<u>9,146.71</u>	<u>\$ 9,727.00</u>	<u>\$ (580.29)</u>
Receipts Over (Under) Expenditures	0.00	0.00		
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>		
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 0.00</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
INDUSTRIAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 28,600.65	\$ 28,842.53	\$ 31,214.00	\$ (2,371.47)
Delinquent Tax	485.87	589.25	0.00	589.25
Motor Vehicle Tax	5,919.06	6,886.11	6,887.00	(0.89)
Recreational Vehicle Tax	87.24	90.90	89.00	1.90
16/20M Tax	45.98	91.76	95.00	(3.24)
Machinery & Equipment Aid	0.01	0.00	0.00	0.00
Interest on Idle Funds	197.53	49.26	0.00	49.26
Reimbursed Expense	1,883.82	0.00	0.00	0.00
Total Cash Receipts	37,220.16	36,549.81	\$ 38,285.00	\$ (1,735.19)
Expenditures				
Personal Services	0.00	0.00	15,000.00	(15,000.00)
Contractual Services	33,223.67	30,150.00	25,270.00	4,880.00
Commodities	909.60	0.00	0.00	0.00
Total Expenditures	34,133.27	30,150.00	\$ 40,270.00	\$ (10,120.00)
Receipts Over (Under) Expenditures	3,086.89	6,399.81		
Unencumbered Cash, Beginning	8,067.40	11,154.29		
Unencumbered Cash, Ending	\$ 11,154.29	\$ 17,554.10		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
LIBRARY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 114,350.47	\$ 115,326.60	\$ 124,856.00	\$ (9,529.40)
Delinquent Tax	2,317.97	2,630.68	0.00	2,630.68
Motor Vehicle Tax	27,245.37	27,534.42	27,544.00	(9.58)
Recreational Vehicle Tax	377.18	363.41	355.00	8.41
16/20M Tax	367.73	367.02	379.00	(11.98)
Machinery & Equipment Aid	928.48	0.00	0.00	0.00
Interest on Idle Funds	439.23	98.55	0.00	98.55
Reimbursed Expense	28,684.70	42,786.51	46,750.00	(3,963.49)
Total Cash Receipts	<u>174,711.13</u>	<u>189,107.19</u>	<u>\$ 199,884.00</u>	<u>\$ (10,776.81)</u>
Expenditures				
Personal Services	28,768.61	46,697.68	46,750.00	(52.32)
Library Appropriation	<u>142,270.51</u>	<u>146,077.00</u>	<u>154,607.00</u>	<u>(8,530.00)</u>
Total Expenditures	<u>171,039.12</u>	<u>192,774.68</u>	<u>\$ 201,357.00</u>	<u>\$ (8,582.32)</u>
Receipts Over (Under) Expenditures	3,672.01	(3,667.49)		
Unencumbered Cash, Beginning	<u>22.95</u>	<u>3,694.96</u>		
Unencumbered Cash, Ending	<u>\$ 3,694.96</u>	<u>\$ 27.47</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
TRAFFICWAYS FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Highway Gas Tax	\$ 91,660.45	\$ 95,853.78	\$ 106,550.00	\$ (10,696.22)
Special Assessments	2,309.76	2,460.94	0.00	2,460.94
Interest on Idle Funds	<u>1,695.34</u>	<u>394.02</u>	<u>0.00</u>	<u>394.02</u>
Total Cash Receipts	<u>95,665.55</u>	<u>98,708.74</u>	<u>\$ 106,550.00</u>	<u>\$ (7,841.26)</u>
Expenditures				
Contractual Services	0.00	0.00	0.00	0.00
Commodities	71,830.04	43,373.32	80,000.00	(36,626.68)
Capital Outlay	<u>0.00</u>	<u>145,947.00</u>	<u>110,000.00</u>	<u>35,947.00</u>
Total Expenditures	<u>71,830.04</u>	<u>189,320.32</u>	<u>\$ 190,000.00</u>	<u>\$ (679.68)</u>
Receipts Over (Under) Expenditures	23,835.51	(90,611.58)		
Unencumbered Cash, Beginning	<u>148,742.89</u>	<u>172,578.40</u>		
Unencumbered Cash, Ending	<u>\$ 172,578.40</u>	<u>\$ 81,966.82</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
SPECIAL PARKS AND RECREATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Liquor Tax	\$ 6,559.82	\$ 5,473.05	\$ 7,069.00	\$ (1,595.95)
Reimbursed Expense	7,000.00	7,000.00	7,000.00	0.00
Interest on Idle Funds	<u>27.04</u>	<u>98.52</u>	<u>0.00</u>	<u>98.52</u>
Total Cash Receipts	<u>13,586.86</u>	<u>12,571.57</u>	<u>\$ 14,069.00</u>	<u>\$ (1,497.43)</u>
Expenditures				
Contractual Services	821.50	821.50	956.00	(134.50)
Commodities	7,000.00	7,000.00	10,204.00	(3,204.00)
Appropriation	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>0.00</u>
Total Expenditures	<u>12,821.50</u>	<u>12,821.50</u>	<u>\$ 16,160.00</u>	<u>\$ (3,338.50)</u>
Receipts Over (Under) Expenditures	765.36	(249.93)		
Unencumbered Cash, Beginning	<u>2,489.88</u>	<u>3,255.24</u>		
Unencumbered Cash, Ending	<u>\$ 3,255.24</u>	<u>\$ 3,005.31</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
EMERGENCY TELEPHONE 911 FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Emergency 911 Tax	\$ 11,817.53	\$ 11,622.35	\$ 15,000.00	\$ (3,377.65)
Pawnee Co Reimbursement	3,067.58	2,297.24	1,000.00	1,297.24
Administrative	55.94	58.18	0.00	58.18
Interest on Idle Funds	795.90	98.52	0.00	98.52
Total Cash Receipts	<u>15,736.95</u>	<u>14,076.29</u>	<u>\$ 16,000.00</u>	<u>\$ (1,923.71)</u>
Expenditures				
Contractual Services	6,945.17	15,407.82	74,591.00	(59,183.18)
Commodities	0.00	648.91	1,000.00	(351.09)
Capital Outlay	<u>1,076.25</u>	<u>19,824.09</u>	<u>13,900.00</u>	<u>5,924.09</u>
Total Expenditures	<u>8,021.42</u>	<u>35,880.82</u>	<u>\$ 89,491.00</u>	<u>\$ (53,610.18)</u>
Receipts Over (Under) Expenditures	7,715.53	(21,804.53)		
Unencumbered Cash, Beginning	<u>79,918.26</u>	<u>87,633.79</u>		
Unencumbered Cash, Ending	<u>\$ 87,633.79</u>	<u>\$ 65,829.26</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
WIRELESS 911 TAX FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Wireless 911 Tax	\$ 12,132.68	\$ 12,858.37	\$ 10,500.00	\$ 2,358.37
Reimbursed Expense	84,960.00	19,444.00	0.00	19,444.00
Pawnee Co Reimbursement	5,281.70	0.00	1,000.00	(1,000.00)
Interest on Idle Funds	54.75	98.52	0.00	98.52
Total Cash Receipts	<u>102,429.13</u>	<u>32,400.89</u>	<u>\$ 11,500.00</u>	<u>\$ 20,900.89</u>
Expenditures				
Contractual Services	14,985.61	11,369.50	14,190.00	(2,820.50)
Capital Outlay	84,960.00	17,894.85	0.00	17,894.85
Adjustment for Qualifying Budget Credits			19,444.00	(19,444.00)
Total Expenditures	<u>99,945.61</u>	<u>29,264.35</u>	<u>\$ 33,634.00</u>	<u>\$ (4,369.65)</u>
Receipts Over (Under) Expenditures	2,483.52	3,136.54		
Unencumbered Cash, Beginning	<u>10,877.10</u>	<u>13,360.62</u>		
Unencumbered Cash, Ending	<u>\$ 13,360.62</u>	<u>\$ 16,497.16</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
TOURISM & CONVENTION PROMOTION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Transient Guest Tax	\$ 26,485.25	\$ 24,526.88	\$ 20,000.00	\$ 4,526.88
Reimbursed Expense	10,595.43	1,380.00	0.00	1,380.00
Interest on Idle Funds	392.73	98.52	0.00	98.52
Total Cash Receipts	<u>37,473.41</u>	<u>26,005.40</u>	<u>\$ 20,000.00</u>	<u>\$ 6,005.40</u>
Expenditures				
Contractual Services	13,710.82	26,501.50	35,000.00	(8,498.50)
Commodities	3,435.54	3,164.05	10,497.00	(7,332.95)
Capital Outlay	9,718.75	0.00	0.00	0.00
Total Expenditures	<u>26,865.11</u>	<u>29,665.55</u>	<u>\$ 45,497.00</u>	<u>\$ (15,831.45)</u>
Receipts Over (Under) Expenditures	10,608.30	(3,660.15)		
Unencumbered Cash, Beginning	<u>37,727.39</u>	<u>48,335.69</u>		
Unencumbered Cash, Ending	<u>\$ 48,335.69</u>	<u>\$ 44,675.54</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
D.A.R.E. PROJECT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Administrative	\$ 867.78	\$ 334.44	\$ 500.00	\$ (165.56)
Interest on Idle Funds	114.02	49.26	0.00	49.26
Total Cash Receipts	981.80	383.70	<u>\$ 500.00</u>	<u>\$ (116.30)</u>
Expenditures				
Personal Services	0.00	0.00	1,000.00	(1,000.00)
Contractual Services	519.05	0.00	5,000.00	(5,000.00)
Commodities	0.00	0.00	3,000.00	(3,000.00)
Capital Outlay	893.71	1,093.80	626.00	467.80
Total Expenditures	1,412.76	1,093.80	<u>\$ 9,626.00</u>	<u>\$ (8,532.20)</u>
Receipts Over (Under) Expenditures	(430.96)	(710.10)		
Unencumbered Cash, Beginning	11,730.16	11,299.20		
Unencumbered Cash, Ending	<u>\$ 11,299.20</u>	<u>\$ 10,589.10</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
RISK MANAGEMENT RESERVE FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Administrative	\$ 12,895.00	\$ 8,466.71
Reimbursed Expense	250.00	1,269.50
Interest on Idle Funds	<u>235.28</u>	<u>98.52</u>
Total Cash Receipts	<u>13,380.28</u>	<u>9,834.73</u>
Expenditures		
Contractual Services	16,717.07	15,003.10
Commodities	<u>1,985.15</u>	<u>1,164.50</u>
Total Expenditures	<u>18,702.22</u>	<u>16,167.60</u>
Receipts Over (Under) Expenditures	(5,321.94)	(6,332.87)
Unencumbered Cash, Beginning	<u>34,958.99</u>	<u>29,637.05</u>
Unencumbered Cash, Ending	<u>\$ 29,637.05</u>	<u>\$ 23,304.18</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
EQUIPMENT RESERVE FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest on Idle Funds	\$ 2,000.28	\$ 246.27
Operating Transfers:		
From General	49,715.00	90,859.00
From Airport Facility Reserve	<u>3,402.72</u>	<u>3,402.72</u>
Total Cash Receipts	<u>55,118.00</u>	<u>94,507.99</u>
Expenditures		
Capital Outlay	<u>0.00</u>	<u>45,549.00</u>
Total Expenditures	<u>0.00</u>	<u>45,549.00</u>
Receipts Over (Under) Expenditures	55,118.00	48,958.99
Unencumbered Cash, Beginning	<u>206,548.31</u>	<u>261,666.31</u>
Unencumbered Cash, Ending	<u><u>\$ 261,666.31</u></u>	<u><u>\$ 310,625.30</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
CAPITAL IMPROVEMENTS FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Sale of Assets	\$ 0.00	\$ 1,275.00
Reimbursed Expense	457.50	367,313.34
Interest on Idle Funds	86.51	238.88
Donations	250.00	325.00
State Aid	0.00	379,975.60
Operating Transfer: From General	<u>176,000.00</u>	<u>80,000.00</u>
Total Cash Receipts	<u>176,794.01</u>	<u>829,127.82</u>
Expenditures		
Contractual Services	9,609.30	10,185.25
Commodities	30,489.50	21,903.38
Capital Outlay	<u>547,844.69</u>	<u>309,465.11</u>
Total Expenditures	<u>587,943.49</u>	<u>341,553.74</u>
Receipts Over (Under) Expenditures	(411,149.48)	487,574.08
Unencumbered Cash, Beginning	395.99	(408,782.49)
Prior Year Cancelled Encumbrances	<u>1,971.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u><u>\$ (408,782.49)</u></u>	<u><u>\$ 78,791.59</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
BOND & INTEREST FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 26.02	\$ 3.35	\$ 0.00	\$ 3.35
Delinquent Tax	745.08	468.74	0.00	468.74
Motor Vehicle Tax	8,167.75	1,656.51	0.00	1,656.51
Recreational Vehicle Tax	99.99	15.13	0.00	15.13
16/20M Tax	177.50	80.33	0.00	80.33
Interest on Idle Funds	879.73	196.98	0.00	196.98
LSH Payment	43,568.64	53,846.52	51,277.00	2,569.52
Operating Transfers:				
From Electric Utility	82,980.00	86,020.00	86,020.00	0.00
From Water Utility	7,043.00	6,874.00	6,874.00	0.00
From Airport Facility	8,210.00	8,014.00	8,014.00	0.00
Total Cash Receipts	<u>151,897.71</u>	<u>157,175.56</u>	<u>\$ 152,185.00</u>	<u>\$ 4,990.56</u>
Expenditures				
Bond Principal	150,000.00	160,000.00	160,000.00	0.00
Bond Interest	27,265.00	23,065.00	23,065.00	0.00
Commissions	5.00	6.25	25.00	(18.75)
Cash Basis Reserve	<u>0.00</u>	<u>0.00</u>	<u>50,000.00</u>	<u>(50,000.00)</u>
Total Expenditures	<u>177,270.00</u>	<u>183,071.25</u>	<u>\$ 233,090.00</u>	<u>\$ (50,018.75)</u>
Receipts Over (Under) Expenditures	(25,372.29)	(25,895.69)		
Unencumbered Cash, Beginning	<u>109,614.22</u>	<u>84,241.93</u>		
Unencumbered Cash, Ending	<u>\$ 84,241.93</u>	<u>\$ 58,346.24</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
EDWARDS PARK IMPROVEMENT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest on Idle Funds	\$ 129.70	\$ 102.96
Reimbursed Expense	<u>5,000.00</u>	<u>5,000.00</u>
Total Cash Receipts	<u>5,129.70</u>	<u>5,102.96</u>
Expenditures		
Capital Outlay	<u>20,000.00</u>	<u>0.00</u>
Total Expenditures	<u>20,000.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	(14,870.30)	5,102.96
Unencumbered Cash, Beginning	<u>20,209.97</u>	<u>5,339.67</u>
Unencumbered Cash, Ending	<u><u>\$ 5,339.67</u></u>	<u><u>\$ 10,442.63</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
HOUSING DEVELOPMENT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Interest on Idle Funds	\$ 253.02	\$ 50.74
Total Cash Receipts	<u>253.02</u>	<u>50.74</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	253.02	50.74
Unencumbered Cash, Beginning	<u>27,776.62</u>	<u>28,029.64</u>
Unencumbered Cash, Ending	<u>\$ 28,029.64</u>	<u>\$ 28,080.38</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
ELECTRIC UTILITY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Utility Revenue	\$ 3,359,270.47	\$ 3,320,399.59	\$ 3,470,110.00	\$ (149,710.41)
Fuel Cost Adjustment	779,426.73	869,693.09	600,000.00	269,693.09
Sales Tax	89,402.63	142,649.27	92,000.00	50,649.27
Sale of Assets	133.69	594.12	500.00	94.12
Meter Checks	494.32	702.28	445.00	257.28
Interest on Idle Funds	13,346.27	3,940.19	30,000.00	(26,059.81)
Reimbursed Expense	50,283.30	35,994.98	10,000.00	25,994.98
Miscellaneous	659.93	5,133.92	1,500.00	3,633.92
Meter Deposits	20,279.83	16,883.06	10,000.00	6,883.06
Total Cash Receipts	<u>4,313,297.17</u>	<u>4,395,990.50</u>	<u>\$ 4,214,555.00</u>	<u>\$ 181,435.50</u>
Expenditures				
Commercial and General:				
Personal Services	155,717.37	159,591.71	166,677.00	(7,085.29)
Contractual Services	138,387.95	176,177.10	143,600.00	32,577.10
Commodities	12,965.20	14,022.94	11,500.00	2,522.94
Capital Outlay	735.48	373.78	13,000.00	(12,626.22)
Production:				
Personal Services	375,458.30	363,542.53	436,193.00	(72,650.47)
Contractual Services	2,351,635.25	2,365,753.74	2,895,160.00	(529,406.26)
Commodities	23,409.37	56,544.79	386,450.00	(329,905.21)
Capital Outlay	1,814.26	592.86	22,000.00	(21,407.14)
Transmission and Distribution:				
Personal Services	263,979.64	280,720.51	303,950.00	(23,229.49)
Contractual Services	17,023.06	32,264.08	131,700.00	(99,435.92)
Commodities	118,100.03	56,777.58	131,700.00	(74,922.42)
Capital Outlay	78,219.00	10,081.58	130,000.00	(119,918.42)
Non Operating:				
Meter Deposits	21,663.83	25,034.17	0.00	25,034.17
Operating Transfers:				
To General	470,125.00	257,125.00	257,125.00	0.00
To Bond & Interest	82,980.00	86,020.00	86,020.00	0.00
To Electric Reserve	863,080.43	139,490.57	116,725.00	22,765.57
Total Expenditures	<u>4,975,294.17</u>	<u>4,024,112.94</u>	<u>\$ 5,231,800.00</u>	<u>\$ (1,207,687.06)</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
ELECTRIC UTILITY FUND (Cont'd)
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts Over (Under) Expenditures	(661,997.00)	371,877.56		
Unencumbered Cash, Beginning	1,321,775.15	662,618.72		
Prior Year Cancelled Encumbrances	<u>2,840.57</u>	<u>0.00</u>		
Unencumbered Cash, Ending	<u>\$ 662,618.72</u>	<u>\$ 1,034,496.28</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
ELECTRIC RESERVE FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest on Idle Funds	\$ 30,693.34	\$ 7,880.37
Transfer:		
From Electric Utility	<u>863,080.43</u>	<u>139,490.57</u>
Total Cash Receipts	<u>893,773.77</u>	<u>147,370.94</u>
Expenditures		
Contractual Services	70,721.87	56,677.73
Capital Outlay	<u>157,926.07</u>	<u>0.00</u>
Total Expenditures	<u>228,647.94</u>	<u>56,677.73</u>
Receipts Over (Under) Expenditures	665,125.83	90,693.21
Unencumbered Cash, Beginning	3,501,438.92	4,167,064.75
Prior Year Cancelled Encumbrances	<u>500.00</u>	<u>3,000.00</u>
Unencumbered Cash, Ending	<u><u>\$ 4,167,064.75</u></u>	<u><u>\$ 4,260,757.96</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
WATER UTILITY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Utility Revenue	\$ 604,548.67	\$ 684,984.50	\$ 523,900.00	\$ 161,084.50
Sale of Assets	0.00	3,166.43	0.00	3,166.43
Miscellaneous	12,558.73	25,036.36	13,056.00	11,980.36
Interest on Idle Funds	672.54	394.02	1,000.00	(605.98)
Sales Tax	4,407.14	9,039.60	5,800.00	3,239.60
State Water Tax Fee	7,944.59	8,386.42	8,000.00	386.42
Reimbursed Expense	6,888.80	5,191.45	5,000.00	191.45
Meter Deposits	3,311.00	3,213.00	1,500.00	1,713.00
Total Cash Receipts	<u>640,331.47</u>	<u>739,411.78</u>	<u>\$ 558,256.00</u>	<u>\$ 181,155.78</u>
Expenditures				
Commercial and General:				
Personal Services	120,410.23	125,075.93	131,682.00	(6,606.07)
Contractual Services	21,443.93	22,805.36	22,000.00	805.36
Commodities	4,690.91	3,327.24	2,700.00	627.24
Production				
Personal Services	387.40	0.00	0.00	0.00
Contractual Services	83,597.71	54,998.85	93,700.00	(38,701.15)
Commodities	18,800.84	5,582.46	6,250.00	(667.54)
Capital Outlay	9,123.05	0.00	500.00	(500.00)
Transmission and Distribution				
Personal Services	199,821.45	215,005.09	235,775.00	(20,769.91)
Contractual Services	8,826.59	12,255.51	14,980.00	(2,724.49)
Commodities	37,695.63	65,496.00	44,300.00	21,196.00
Capital Outlay	23,967.32	48,627.54	6,867.00	41,760.54
Non Operating				
Meter Deposits	4,025.30	3,441.82	0.00	3,441.82
Operating Transfers:				
To General	25,000.00	25,000.00	25,000.00	0.00
To Bond & Interest	7,043.00	6,874.00	6,874.00	0.00
To Water Reserve	50,000.00	0.00	0.00	0.00
Total Expenditures	<u>614,833.36</u>	<u>588,489.80</u>	<u>\$ 590,628.00</u>	<u>\$ (2,138.20)</u>
Receipts Over (Under) Expenditures	25,498.11	150,921.98		
Unencumbered Cash, Beginning	<u>33,157.17</u>	<u>58,655.28</u>		
Unencumbered Cash, Ending	<u>\$ 58,655.28</u>	<u>\$ 209,577.26</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
WATER RESERVE FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfer:		
From Water	\$ 50,000.00	\$ 0.00
Total Cash Receipts	50,000.00	0.00
Expenditures		
Capital Outlay	0.00	8,292.31
Total Expenditures	0.00	8,292.31
Receipts Over (Under) Expenditures	50,000.00	(8,292.31)
Unencumbered Cash, Beginning	30,818.30	80,818.30
Unencumbered Cash, Ending	\$ 80,818.30	\$ 72,525.99

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
SEWAGE DISPOSAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Utility Revenue	\$ 551,179.72	\$ 543,677.13	\$ 550,000.00	\$ (6,322.87)
LSH Charges	74,522.56	58,057.04	76,812.00	(18,754.96)
Interest on Idle Funds	2,405.61	985.05	0.00	985.05
Reimbursed Expense	4,845.00	8,515.41	0.00	8,515.41
Total Cash Receipts	<u>632,952.89</u>	<u>611,234.63</u>	<u>\$ 626,812.00</u>	<u>\$ (15,577.37)</u>
Expenditures				
Personal Services	154,303.62	175,830.51	169,158.00	6,672.51
Contractual Services	129,469.05	135,106.07	139,450.00	(4,343.93)
Commodities	36,738.77	35,775.62	41,692.00	(5,916.38)
Capital Outlay	0.00	4,133.86	26,150.00	(22,016.14)
Operating Transfers:				
To General	20,000.00	20,000.00	20,000.00	0.00
To Sewage Disposal Reserve	262,180.00	328,000.00	328,000.00	0.00
Total Expenditures	<u>602,691.44</u>	<u>698,846.06</u>	<u>\$ 724,450.00</u>	<u>\$ (25,603.94)</u>
Receipts Over (Under) Expenditures	30,261.45	(87,611.43)		
Unencumbered Cash, Beginning	<u>131,325.06</u>	<u>161,586.51</u>		
Unencumbered Cash, Ending	<u>\$ 161,586.51</u>	<u>\$ 73,975.08</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
SEWAGE DISPOSAL RESERVE FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 26,865.00	\$ 0.00
Interest on Idle Funds	3,721.40	985.05
Reimbursed Expense	64,810.00	205,384.00
Operating Transfer:		
From Sewage Disposal	<u>262,180.00</u>	<u>328,000.00</u>
Total Cash Receipts	<u>357,576.40</u>	<u>534,369.05</u>
Expenditures		
Contractual Services	7,025.60	0.00
Capital Outlay	15,799.43	0.00
Bond Principal	318,533.11	327,126.98
Bond Interest	<u>180,775.61</u>	<u>172,181.74</u>
Total Expenditures	<u>522,133.75</u>	<u>499,308.72</u>
Receipts Over (Under) Expenditures	(164,557.35)	35,060.33
Unencumbered Cash, Beginning	<u>570,945.22</u>	<u>406,387.87</u>
Unencumbered Cash, Ending	<u>\$ 406,387.87</u>	<u>\$ 441,448.20</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
SOLID WASTE FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Utility Revenue	\$ 172,809.66	\$ 178,085.60	\$ 204,498.00	\$ (26,412.40)
Recycling Fees	7,966.81	10,325.34	6,000.00	4,325.34
Interest on Idle Funds	467.24	196.98	1,000.00	(803.02)
Reimbursed Expense	13,207.02	8,538.34	12,078.00	(3,539.66)
Operating Transfer:				
From Solid Waste Reserve	0.00	15,000.56	0.00	15,000.56
Total Cash Receipts	194,450.73	212,146.82	\$ 223,576.00	\$ (11,429.18)
Expenditures				
Personal Services	168,302.57	179,510.14	173,537.00	5,973.14
Contractual Services	7,017.46	13,356.06	15,905.00	(2,548.94)
Commodities	16,496.16	19,783.98	37,200.00	(17,416.02)
Capital Outlay	7,046.90	8,828.00	5,000.00	3,828.00
Operating Transfer:				
To Solid Waste Reserve	5,000.00	0.00	0.00	0.00
Total Expenditures	203,863.09	221,478.18	\$ 231,642.00	\$ (10,163.82)
Receipts Over (Under) Expenditures	(9,412.36)	(9,331.36)		
Unencumbered Cash, Beginning	31,216.48	21,804.12		
Unencumbered Cash, Ending	\$ 21,804.12	\$ 12,472.76		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
SOLID WASTE RESERVE FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfer:		
From Solid Waste	\$ 5,000.00	\$ 0.00
Total Cash Receipts	<u>5,000.00</u>	<u>0.00</u>
Expenditures		
Capital Outlay	31,435.00	0.00
Operating Transfer:		
To Solid Waste	<u>0.00</u>	<u>15,000.56</u>
Total Expenditures	<u>31,435.00</u>	<u>15,000.56</u>
Receipts Over (Under) Expenditures	(26,435.00)	(15,000.56)
Unencumbered Cash, Beginning	<u>41,435.56</u>	<u>15,000.56</u>
Unencumbered Cash, Ending	<u><u>\$ 15,000.56</u></u>	<u><u>\$ 0.00</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
AIRPORT FACILITY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Rentals	\$ 18,189.58	\$ 27,140.20	\$ 21,000.00	\$ 6,140.20
Appropriation	9,049.55	9,146.71	9,727.00	(580.29)
Pawnee County Cost Sharing	28,866.00	25,032.32	16,000.00	9,032.32
Interest on Idle Funds	427.81	196.95	1,100.00	(903.05)
Fuel Reimbursement	39,689.19	38,898.50	75,000.00	(36,101.50)
Oil & Gas Lease	1,291.82	1,291.82	0.00	1,291.82
Sales Tax	2,480.48	2,971.14	3,000.00	(28.86)
Reimbursed Expense	1,184.75	10,040.86	23,000.00	(12,959.14)
Total Cash Receipts	<u>101,179.18</u>	<u>114,718.50</u>	<u>\$ 148,827.00</u>	<u>\$ (34,108.50)</u>
Expenditures				
Personal Services	12,875.81	15,575.26	12,600.00	2,975.26
Contractual Services	33,928.88	42,647.23	30,000.00	12,647.23
Commodities	48,276.22	50,309.47	78,000.00	(27,690.53)
Capital Outlay	1,278.65	18,223.04	74,070.00	(55,846.96)
Operating Transfers:				
To Bond & Interest	8,210.00	8,014.00	8,014.00	0.00
To Airport Facility Reserve	3,402.72	3,402.72	0.00	3,402.72
Total Expenditures	<u>107,972.28</u>	<u>138,171.72</u>	<u>\$ 202,684.00</u>	<u>\$ (64,512.28)</u>
Receipts Over (Under) Expenditures	(6,793.10)	(23,453.22)		
Unencumbered Cash, Beginning	<u>42,069.75</u>	<u>35,276.65</u>		
Unencumbered Cash, Ending	<u>\$ 35,276.65</u>	<u>\$ 11,823.43</u>		

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
AIRPORT FACILITY RESERVE FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursed Expense	\$ 284,822.00	\$ 186,039.00
Operating Transfer:		
From Airport Facility	<u>3,402.72</u>	<u>3,402.72</u>
Total Cash Receipts	<u>288,224.72</u>	<u>189,441.72</u>
Expenditures		
Contractual Services	86,707.04	26,776.38
Commodities	484.95	0.00
Capital Outlay	203,730.92	187,648.65
Operating Transfers:		
To Equipment Reserve	<u>3,402.72</u>	<u>3,402.72</u>
Total Expenditures	<u>294,325.63</u>	<u>217,827.75</u>
Receipts Over (Under) Expenditures	(6,100.91)	(28,386.03)
Unencumbered Cash, Beginning	<u>8,800.83</u>	<u>2,699.92</u>
Unencumbered Cash, Ending (See Note 3)	<u>\$ 2,699.92</u>	<u>\$ (25,686.11)</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
EMT MEMORIAL FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Donations	\$ 2,415.00	\$ 1,090.00
Interest on Idle Funds	<u>275.50</u>	<u>49.26</u>
Total Cash Receipts	<u>2,690.50</u>	<u>1,139.26</u>
Expenditures		
Contractual Services	1,739.67	6.86
Commodities	<u>337.28</u>	<u>152.23</u>
Total Expenditures	<u>2,076.95</u>	<u>159.09</u>
Receipts Over (Under) Expenditures	613.55	980.17
Unencumbered Cash, Beginning	507.78	1,121.33
Prior Year Cancelled Encumbrances	<u>0.00</u>	<u>3,479.33</u>
Unencumbered Cash, Ending	<u><u>\$ 1,121.33</u></u>	<u><u>\$ 5,580.83</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
SCHNACK CEMETERY FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest on Idle Funds	\$ 377.68	\$ 174.26
Total Cash Receipts	<u>377.68</u>	<u>174.26</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	377.68	174.26
Unencumbered Cash, Beginning	<u>29,412.63</u>	<u>29,790.31</u>
Unencumbered Cash, Ending	<u>\$ 29,790.31</u>	<u>\$ 29,964.57</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
LARNED VOLUNTEER FIRE DEPARTMENT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest on Idle Funds	\$ 68.83	\$ 49.26
Donations	<u>665.00</u>	<u>0.00</u>
Total Cash Receipts	<u>733.83</u>	<u>49.26</u>
Expenditures		
Commodities	<u>550.00</u>	<u>1,453.00</u>
Total Expenditures	<u>550.00</u>	<u>1,453.00</u>
Receipts Over (Under) Expenditures	183.83	(1,403.74)
Unencumbered Cash, Beginning	<u>7,433.33</u>	<u>7,617.16</u>
Unencumbered Cash, Ending	<u><u>\$ 7,617.16</u></u>	<u><u>\$ 6,213.42</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
PROJECTS IMPROVEMENT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Donations	\$ 150.88	\$ 106.87
Interest on Idle Funds	<u>25.37</u>	<u>1.47</u>
Total Cash Receipts	<u>176.25</u>	<u>108.34</u>
Expenditures		
Contractual Services	<u>96.18</u>	<u>85.06</u>
Total Expenditures	<u>96.18</u>	<u>85.06</u>
Receipts Over (Under) Expenditures	80.07	23.28
Unencumbered Cash, Beginning	<u>2,714.41</u>	<u>2,794.48</u>
Unencumbered Cash, Ending	<u><u>\$ 2,794.48</u></u>	<u><u>\$ 2,817.76</u></u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
INSURANCE PROCEEDS FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$ 0.00	\$ 0.00
Total Cash Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
Contractual Services	<u>8,279.03</u>	<u>0.00</u>
Total Expenditures	<u>8,279.03</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	(8,279.03)	0.00
Unencumbered Cash, Beginning	<u>8,279.03</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 0.00</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
EGGLESTON BEQUEST FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Interest on Idle Funds	\$ 747.29	\$ 191.79
Total Cash Receipts	<u>747.29</u>	<u>191.79</u>
Expenditures		
Contractual Services	2,000.00	7,211.11
Commodities	1,527.37	1,010.71
Capital Outlay	<u>647.00</u>	<u>0.00</u>
Total Expenditures	<u>4,174.37</u>	<u>8,221.82</u>
Receipts Over (Under) Expenditures	(3,427.08)	(8,030.03)
Unencumbered Cash, Beginning	<u>55,935.94</u>	<u>52,508.86</u>
Unencumbered Cash, Ending	<u>\$ 52,508.86</u>	<u>\$ 44,478.83</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
SCHNACK TRUST FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$ 0.00	\$ 0.00
Total Cash Receipts	<u>0.00</u>	<u>0.00</u>
Expenditures		
Capital Outlay	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>25,000.00</u>	<u>25,000.00</u>
Unencumbered Cash, Ending	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
JORDAAN PARK FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest on Idle Funds	\$ 594.98	\$ 49.26
Total Cash Receipts	<u>594.98</u>	<u>49.26</u>
Expenditures		
Contractual Services	<u>893.32</u>	<u>1,492.45</u>
Total Expenditures	<u>893.32</u>	<u>1,492.45</u>
Receipts Over (Under) Expenditures	(298.34)	(1,443.19)
Unencumbered Cash, Beginning	<u>65,633.17</u>	<u>65,334.83</u>
Unencumbered Cash, Ending	<u>\$ 65,334.83</u>	<u>\$ 63,891.64</u>

The notes to the financial statements are an integral part of this statement.

The City of Larned, Kansas
PRIDE COMMITTEE DONATION FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Donations	\$ 0.00	\$ 12,155.00
Total Cash Receipts	<u>0.00</u>	<u>12,155.00</u>
Expenditures		
None	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>0.00</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00	12,155.00
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u><u>\$ 0.00</u></u>	<u><u>\$ 12,155.00</u></u>

The notes to the financial statements are an integral part of this statement.

THE CITY OF LARNED, KANSAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Larned, Kansas is a municipal corporation governed by an elected eight-member council. A primary government is a legal entity or public politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. The Jordaan Memorial Library oversees the library activities of the City and is a component unit. The Library can sue and be sued, but acquisition of real property by the Library must be approved by the City. The City levies taxes for the Library and bond issuances must be approved by the City. The primary government financial statements presented do not include the financial data of the component unit of the City of Larned. The financial data of the Library is available at the Library's office.

B. FUND ACCOUNTING

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the City of Larned, Kansas for the year of 2010:

GOVERNMENTAL FUNDS

General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds--to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the City of Larned, Kansas.

Capital Projects Funds--to account for financial resources to be used for the acquisition or construction of major capital facilities.

PROPRIETARY FUNDS:

Enterprise Funds--to account for operations that are financed and operated in a manner similar to private business enterprises--where the stated intent is that the costs (expenses), including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges--or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. FUND ACCOUNTING (Cont'd.)

FIDUCIARY FUNDS:

Trust and Agency Funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individual, private organizations, other governmental units, and/or other funds. These include (a) Pension Trust Funds, (b) Investment Trust Funds, (c) Private Purpose Trust Funds, and (d) Agency Funds.

C. BASIS OF ACCOUNTING

Statutory Basis of Accounting: The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a charter ordinance that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America: The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

D. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available. Cash and investments consist of interest bearing checking accounts, saving accounts, and certificates of deposit. Earnings from these investments are allocated to designated funds. Cash and investments are stated at cost.

E. COMPENSATED ABSENCES

Employees are entitled to be paid for unused accrued vacation leave when two weeks notice is given in the event of separation for military service, voluntary resignation or in the event of a lay-off because of a reduction in force. No vacation time will be paid in cases where employees are discharged. Maximum accrued vacation time is thirty-six days. The potential liability for unused vacation leave at December 31, 2010 is \$166,493.62. Accumulated sick leave is not paid upon separation from employment, except when an employee retires from service of the City. An employee will be paid for accrued sick leave in excess of 750 hours. The potential liability for unused sick leave at December 31, 2010 is \$5,886.78.

F. TOTAL COLUMNS (MEMORANDUM ONLY)

Total Columns on the Summary of Receipts, Expenditures and Unencumbered Cash are captioned "Memorandum Only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

G. AD VALOREM TAX REVENUE

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the City by January 20. The second half is due May 10 and distributed to the City by June 5. The City Treasurer draws available funds from the County Treasurer at designated times throughout the year.

H. REIMBURSED EXPENSES

The City records reimbursable expenditures (or expense) in the fund that makes the disbursement and records the reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by the reimbursements.

I. USE OF ESTIMATES

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments during the year.

Note 2 - BUDGETARY INFORMATION (Cont'd.)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits: Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, reimbursements, gifts and donations and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds:

Risk Management Reserve Fund
Equipment Reserve Fund

Capital Improvement Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 3 - COMPLIANCE WITH KANSAS STATUTES

Management is aware of no statutory violations for the period covered by the audit.

The Airport Facility Reserve Fund showed a negative ending unencumbered cash balance of \$25,686.11 for the year ending December 31, 2010. K.S.A. 10-1116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, be exempt from the cash basis law of the State of Kansas. This fund met the criteria under the statutes, and therefore, is not deemed to be in violation of the Kansas cash basis law.

Note 4 - DEPOSITS

K.S.A. 9-1401 established the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investments of idle funds to time deposits, open accounts, and certificates of deposit with the allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Note 4 - DEPOSITS (Cont'd.)

Concentration of Credit Risk: State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance, bank guarantee bonds, or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All deposits were legally secured at December 31, 2010.

At December 31, 2010 the City's carrying amount of deposits was \$7,835,243.91 and the bank balance was \$8,128,565.51. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$781,078.44 was covered by federal depository insurance, and \$7,347,487.07 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Note 5 - INTERFUND TRANSACTIONS

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Equipment Reserve	K.S.A. 12-1,117	\$ 90,859.00
General	Capital Improvement	K.S.A. 12-1,118	80,000.00
Electric Utility	General	K.S.A. 12-825d	257,125.00
Electric Utility	Bond & Interest	K.S.A. 12-825d	86,020.00
Electric Utility	Electric Reserve	K.S.A. 12-825d	139,490.57
Water Utility	General	K.S.A. 12-825d	25,000.00
Water Utility	Bond & Interest	K.S.A. 12-825d	6,874.00
Sewage Disposal	General	K.S.A. 12-825d	20,000.00
Sewage Disposal	Sewage Disposal Reserve	K.S.A. 12-825d	328,000.00
Solid Waste Reserve	Solid Waste	K.S.A. 12-825d	15,000.56
Airport Facility	Bond & Interest	K.S.A. 12-825d	8,014.00
Airport Facility	Airport Facility Reserve	K.S.A. 12-825d	3,402.72
Airport Facility Surplus	Equipment Reserve	K.S.A. 12-1,117	3,402.72

Note 7 - LONG TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2010, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bond:				
Series 2003	1.20%-3.75%	10/15/2003	\$ 1,992,000.00	9/1/2013
KDHE Loans:				
Project No. 1287-01	2.68%	8/23/2007	6,824,461.94	9/1/2028
Total Contractual Indebtedness				
Compensated Absences				
Total Long-Term Debt				

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2011	2012	2013
Principal:			
General Obligation Bond			
Series 2003	\$ 160,000.00	\$ 165,000.00	\$ 175,000.00
KDHE Loans			
Project No. 1287-01	<u>302,612.91</u>	<u>276,990.67</u>	<u>284,463.77</u>
Total Principal	<u>462,612.91</u>	<u>441,990.67</u>	<u>459,463.77</u>
Interest:			
General Obligation Bond			
Series 2003	18,025.00	12,585.00	6,562.50
KDHE Loans			
Project No. 1287-01	<u>163,355.98</u>	<u>155,638.39</u>	<u>148,165.29</u>
Total Interest	<u>181,380.98</u>	<u>168,223.39</u>	<u>154,727.79</u>
Total Principal and Interest	<u>\$ 643,993.89</u>	<u>\$ 610,214.06</u>	<u>\$ 614,191.56</u>

Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
\$ 660,000.00	\$ 0.00	\$ 160,000.00		\$ 500,000.00	\$ 23,065.00
<u>6,505,928.83</u>	<u>0.00</u>	<u>327,126.98</u>		<u>6,178,801.85</u>	<u>172,181.74</u>
7,165,928.83	0.00	487,126.98		6,678,801.85	195,246.74
<u>162,528.39</u>			<u>9,852.01</u>	<u>172,380.40</u>	
<u>\$ 7,328,457.22</u>	<u>\$ 0.00</u>	<u>\$ 487,126.98</u>	<u>9,852.01</u>	<u>\$ 6,851,182.25</u>	<u>\$ 195,246.74</u>

2014	2015	2016-2020	2021-2025	2026-2030	Total
\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 500,000.00
<u>292,138.48</u>	<u>300,020.24</u>	<u>1,625,974.43</u>	<u>1,857,473.87</u>	<u>1,239,127.48</u>	<u>6,178,801.85</u>
<u>292,138.48</u>	<u>300,020.24</u>	<u>1,625,974.43</u>	<u>1,857,473.87</u>	<u>1,239,127.48</u>	<u>6,678,801.85</u>
0.00	0.00	0.00	0.00	0.00	37,172.50
<u>140,490.58</u>	<u>132,608.82</u>	<u>537,170.87</u>	<u>305,671.43</u>	<u>58,759.70</u>	<u>1,641,861.06</u>
<u>140,490.58</u>	<u>132,608.82</u>	<u>537,170.87</u>	<u>305,671.43</u>	<u>58,759.70</u>	<u>1,679,033.56</u>
<u>\$ 432,629.06</u>	<u>\$ 432,629.06</u>	<u>\$ 2,163,145.30</u>	<u>\$ 2,163,145.30</u>	<u>\$ 1,297,887.18</u>	<u>\$ 8,357,835.41</u>

Note 8 - DEFINED BENEFIT PENSION PLAN

Plan description. The City of Larned contributes to the Kansas Public Employees Retirement System (KPERS) a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Ave., Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% for Tier 1 employees and 6% for Tier 2 employees of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established for calendar year 2010 is 7.14%. The City of Larned employer contributions to KPERS for the years ending December 31, 2010, 2009, and 2008, were \$161,999.34, \$124,950.46, and \$126,672.57, respectively, equal to the required contributions for each year.

Note 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Trust will be self-sustaining through member premiums and will reinsure through commercial companies for excess claims for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust's management.

The City continues to carry commercial insurance for all other risks of loss, including equipment, property and building coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10 - RELATED PARTY TRANSACTIONS

The City purchases parts and supplies from Roth Equipment (Case Credit), a company for which a Council member is one of the owners. The amount purchased during the year was \$2,734.65.

The City purchased mowers from Roth Equipment (Case Credit), a company for which a Council member is one of the owners. The amount purchased during the year was \$49,390.00.

Note 11 - OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. The retiree pays \$600.00 of a family policy and \$300.00 of a single policy and the City is responsible for the balance. During the year ended December 31, 2010, approximately three retirees participated in this plan and the City paid \$3,819.24 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in these financial statements.

Note 11 - OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

The City of Larned, Kansas
Detailed Schedule of General Fund Revenues and Expenditures
Compared with Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 775,678.40	\$ 781,344.59	\$ 845,962.00	\$ (64,617.41)
Delinquent Tax	15,294.70	17,521.38	0.00	17,521.38
Motor Vehicle Tax	178,618.04	185,706.05	186,857.00	(1,150.95)
Recreational Vehicle Tax	2,486.63	2,455.32	2,409.00	46.32
16/20M Tax	2,321.77	2,437.68	2,567.00	(129.32)
Machinery & Equipment Aid	6,200.08	0.00	0.00	0.00
Franchise Tax	201,344.99	183,761.79	155,000.00	28,761.79
Sales Tax	519,073.97	504,491.71	520,000.00	(15,508.29)
Intergovernmental Revenues:				
Highway Connecting Links	27,371.14	27,390.00	27,371.00	19.00
Liquor Club Tax	6,559.84	5,473.07	7,069.00	(1,595.93)
Fines and Permits:				
Animal Licenses	2,431.00	2,738.00	2,300.00	438.00
Cereal Malt Beverage Licenses	830.00	555.00	500.00	55.00
Liquor Occupational Licenses	1,000.00	1,200.00	900.00	300.00
Business Occupational Licenses	5,820.00	5,375.00	5,500.00	(125.00)
Permits	9,062.67	12,267.97	8,625.00	3,642.97
Zoning Fees	1,200.00	975.00	5,000.00	(4,025.00)
Municipal Court Fines	27,849.63	16,744.60	26,600.00	(9,855.40)
Charges for Services:				
Ambulance Fees and Subsidy	361,755.85	305,534.98	360,000.00	(54,465.02)
Cemetery Lots	24,393.00	22,745.00	20,000.00	2,745.00
Fire Services	37,944.00	37,944.00	37,944.00	0.00
Maps, Copies, Etc.	852.30	873.60	900.00	(26.40)
Police Services	91,814.09	103,493.58	90,000.00	13,493.58
Community Center Receipts	4,092.00	5,517.00	4,000.00	1,517.00
USD 495 Payment	23,690.00	23,690.00	23,690.00	0.00
Weed Cutting	990.00	1,960.78	600.00	1,360.78
Swimming Pool Receipts	22,162.75	14,675.48	25,000.00	(10,324.52)
Animal Shelter Fees	2,520.00	3,430.00	0.00	3,430.00
Miscellaneous Receipts:				
Rents	5,881.50	6,298.50	5,000.00	1,298.50
Miscellaneous	6,436.69	3,663.01	500.00	3,163.01
Interest on Idle Funds	14,234.06	9,410.89	22,000.00	(12,589.11)
Reimbursed Expense	26,745.61	104,628.16	10,000.00	94,628.16
State Aid	5,110.00	4,811.04	0.00	4,811.04
Employee Medical Reimbursement	10,500.00	8,710.00	10,800.00	(2,090.00)

The City of Larned, Kansas
Detailed Schedule of General Fund Revenues and Expenditures
Compared with Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts (Cont'd)				
Miscellaneous Receipts (Cont'd.):				
Donations	840.00	1,410.00	0.00	1,410.00
Sale of Assets	4,200.00	5,000.00	1,000.00	4,000.00
Pilot	0.00	10,000.00	10,000.00	0.00
Operating Transfers:				
From Electric Utility	470,125.00	257,125.00	257,125.00	0.00
From Water Utility	25,000.00	25,000.00	25,000.00	0.00
From Sewage Disposal	20,000.00	20,000.00	20,000.00	0.00
Total Cash Receipts	<u>\$ 2,942,429.71</u>	<u>\$ 2,726,358.18</u>	<u>\$ 2,720,219.00</u>	<u>\$ 6,139.18</u>
Expenditures				
Emergency Medical Service:				
Personal Services	288,746.63	297,832.53	285,000.00	12,832.53
Contractual Services	28,235.90	34,641.99	33,825.00	816.99
Commodities	39,061.47	36,750.47	44,300.00	(7,549.53)
Capital Outlay	3,027.45	388.37	9,700.00	(9,311.63)
	<u>359,071.45</u>	<u>369,613.36</u>	<u>372,825.00</u>	<u>(3,211.64)</u>
Cemetery:				
Personal Services	113,613.04	98,340.33	127,000.00	(28,659.67)
Contractual Services	17,504.28	5,634.60	9,100.00	(3,465.40)
Commodities	7,081.33	13,765.16	30,100.00	(16,334.84)
Capital Outlay	7,575.99	100.00	10,600.00	(10,500.00)
	<u>145,774.64</u>	<u>117,840.09</u>	<u>176,800.00</u>	<u>(58,959.91)</u>
Fire Department:				
Personal Services	33,472.26	41,599.61	46,099.00	(4,499.39)
Contractual Services	16,619.41	15,884.95	25,000.00	(9,115.05)
Commodities	33,032.06	21,174.26	20,300.00	874.26
Capital Outlay	0.00	9,983.98	7,500.00	2,483.98
	<u>83,123.73</u>	<u>88,642.80</u>	<u>98,899.00</u>	<u>(10,256.20)</u>
General Government:				
Personal Services	87,625.32	102,431.41	93,000.00	9,431.41
Contractual Services	32,189.21	63,923.83	45,970.00	17,953.83
Commodities	17,164.55	21,086.23	13,650.00	7,436.23
Capital Outlay	351,928.02	18,701.63	8,200.00	10,501.63
	<u>488,907.10</u>	<u>206,143.10</u>	<u>160,820.00</u>	<u>45,323.10</u>

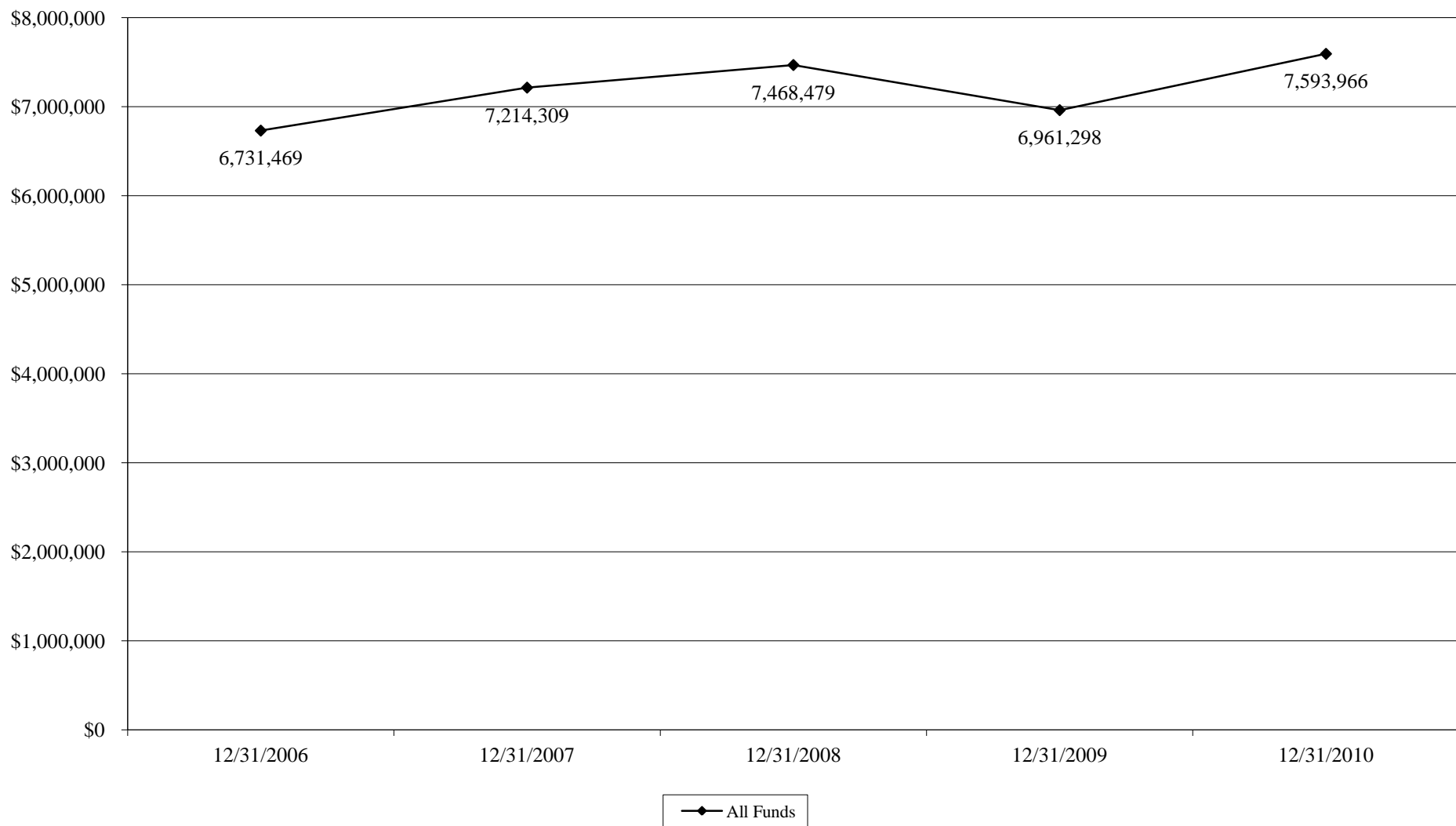
The City of Larned, Kansas
Detailed Schedule of General Fund Revenues and Expenditures
Compared with Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (Cont'd)				
Parks:				
Personal Services	112,616.91	94,102.58	125,000.00	(30,897.42)
Contractual Services	19,197.84	20,255.14	20,750.00	(494.86)
Commodities	36,465.90	42,203.07	48,100.00	(5,896.93)
Capital Outlay	22,854.87	3,330.38	41,000.00	(37,669.62)
	<u>191,135.52</u>	<u>159,891.17</u>	<u>234,850.00</u>	<u>(74,958.83)</u>
Dispatch:				
Personal Services	222,811.11	236,469.97	230,000.00	6,469.97
Contractual Services	3,967.63	4,757.50	8,600.00	(3,842.50)
Commodities	2,545.92	1,776.94	3,640.00	(1,863.06)
Capital Outlay	0.00	558.63	17,000.00	(16,441.37)
	<u>229,324.66</u>	<u>243,563.04</u>	<u>259,240.00</u>	<u>(15,676.96)</u>
Police Department:				
Personal Services	524,306.58	573,184.49	523,000.00	50,184.49
Contractual Services	33,320.63	28,203.34	27,750.00	453.34
Commodities	47,335.11	41,374.33	67,200.00	(25,825.67)
Capital Outlay	28,664.33	72,393.07	54,000.00	18,393.07
	<u>633,626.65</u>	<u>715,155.23</u>	<u>671,950.00</u>	<u>43,205.23</u>
Public Buildings:				
Personal Services	32,514.98	33,136.97	34,000.00	(863.03)
Contractual Services	41,471.35	50,222.85	81,070.00	(30,847.15)
Commodities	6,105.15	6,562.03	8,200.00	(1,637.97)
Capital Outlay	25,609.91	5,667.00	49,000.00	(43,333.00)
	<u>105,701.39</u>	<u>95,588.85</u>	<u>172,270.00</u>	<u>(76,681.15)</u>
Street Department:				
Personal Services	312,563.27	336,758.35	333,000.00	3,758.35
Contractual Services	22,650.03	23,100.29	35,000.00	(11,899.71)
Commodities	74,445.02	296,906.65	167,500.00	129,406.65
Capital Outlay	7,179.47	54,271.60	26,700.00	27,571.60
	<u>416,837.79</u>	<u>711,036.89</u>	<u>562,200.00</u>	<u>148,836.89</u>
Street Lighting:				
Contractual Services	540.00	540.00	800.00	(260.00)
Commodities	1,426.00	794.59	6,300.00	(5,505.41)
	<u>1,966.00</u>	<u>1,334.59</u>	<u>7,100.00</u>	<u>(5,765.41)</u>

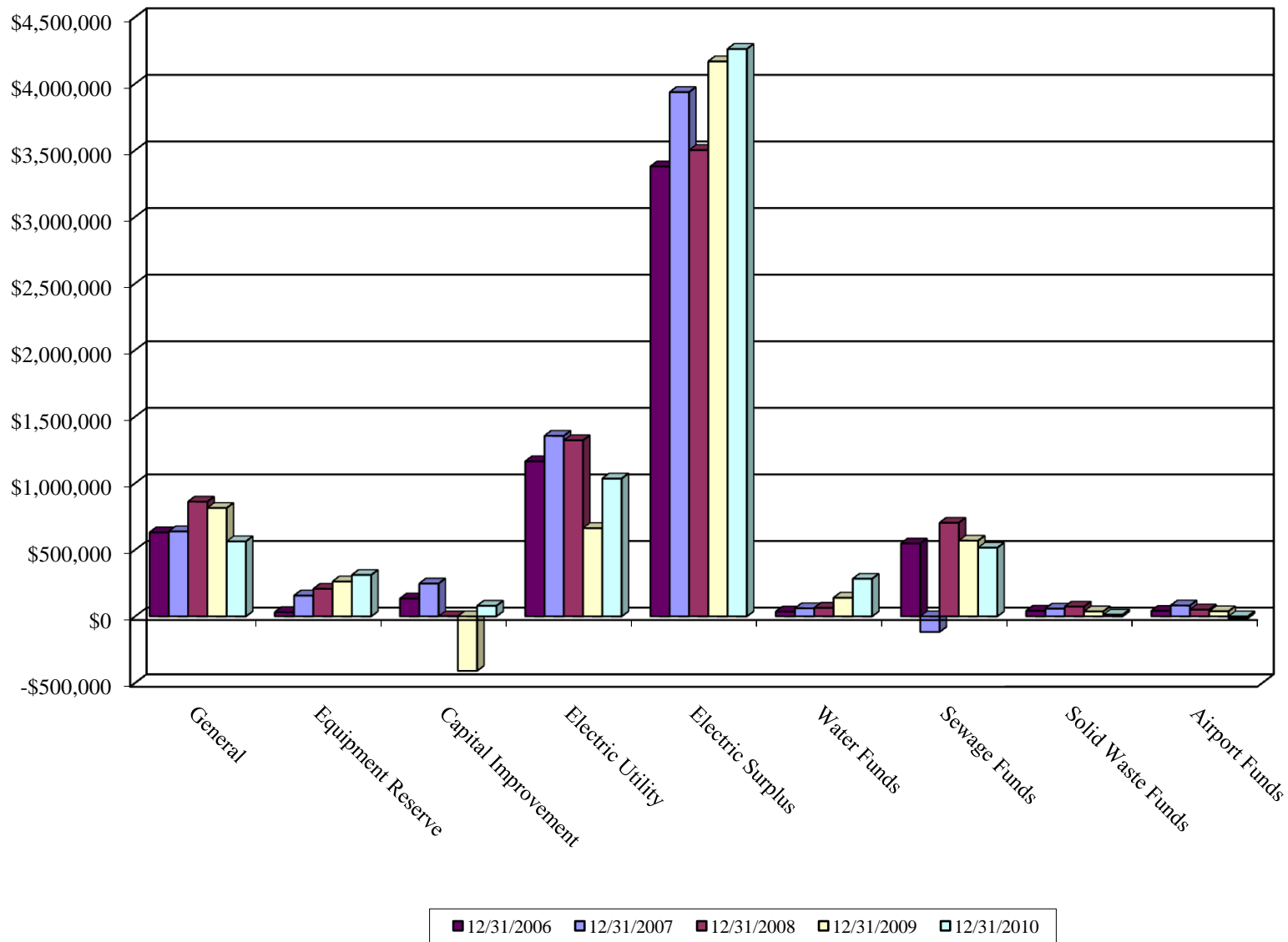
The City of Larned, Kansas
Detailed Schedule of General Fund Revenues and Expenditures
Compared with Budget
For the Year Ended December 31, 2010
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (Cont'd)				
Swimming Pool:				
Personal Services	39,301.84	45,075.71	58,520.00	(13,444.29)
Contractual Services	7,750.30	6,416.70	6,750.00	(333.30)
Commodities	25,069.55	21,781.64	32,100.00	(10,318.36)
Capital Outlay	5,905.78	2,338.14	3,300.00	(961.86)
	<u>78,027.47</u>	<u>75,612.19</u>	<u>100,670.00</u>	<u>(25,057.81)</u>
Municipal Court:				
Personal Services	17,916.83	16,332.88	26,000.00	(9,667.12)
Contractual Services	12,457.22	933.00	5,275.00	(4,342.00)
Commodities	443.18	1,161.94	600.00	561.94
Capital Outlay	1,094.99	185.00	1,200.00	(1,015.00)
	<u>31,912.22</u>	<u>18,612.82</u>	<u>33,075.00</u>	<u>(14,462.18)</u>
Building Inspection:				
Personal Services	116.63	0.00	0.00	0.00
Contractual Services	2,838.83	3,995.20	4,225.00	(229.80)
Commodities	2,743.29	2,363.57	2,300.00	63.57
Capital Outlay	0.00	1,426.88	500.00	926.88
	<u>5,698.75</u>	<u>7,785.65</u>	<u>7,025.00</u>	<u>760.65</u>
Non Operating:				
Capital Outlay	0.00	0.00	265,000.00	(265,000.00)
	<u>0.00</u>	<u>0.00</u>	<u>265,000.00</u>	<u>(265,000.00)</u>
Operating Transfers:				
To Equipment Reserve	49,715.00	90,859.00	45,310.00	45,549.00
To Capital Improvement	176,000.00	80,000.00	80,000.00	0.00
	<u>225,715.00</u>	<u>170,859.00</u>	<u>125,310.00</u>	<u>45,549.00</u>
Total Expenditures	<u>\$ 2,996,822.37</u>	<u>\$ 2,981,678.78</u>	<u>\$ 3,248,034.00</u>	<u>\$ (266,355.22)</u>

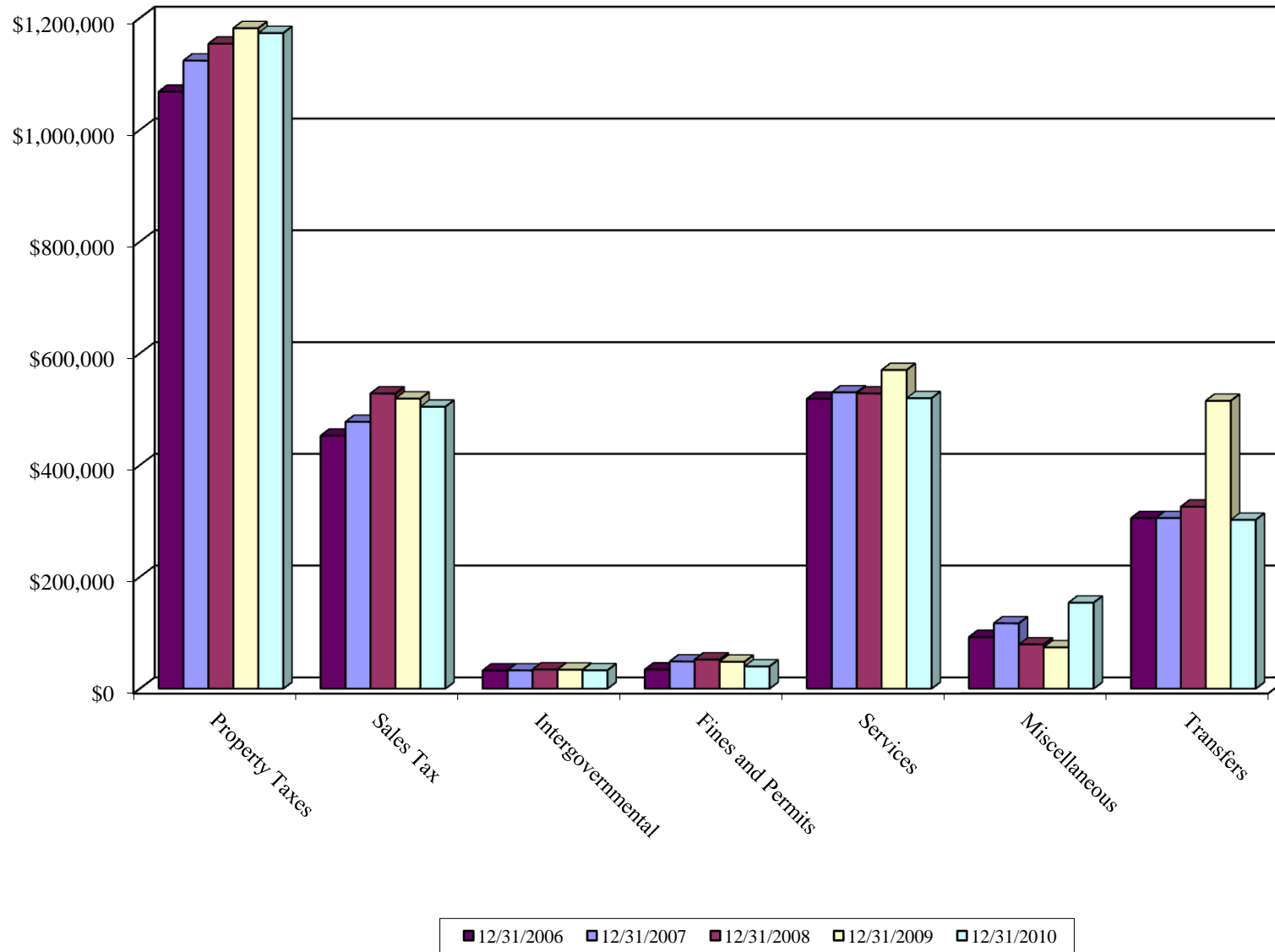
City of Larned
Larned, Kansas
Unencumbered Cash - All Funds



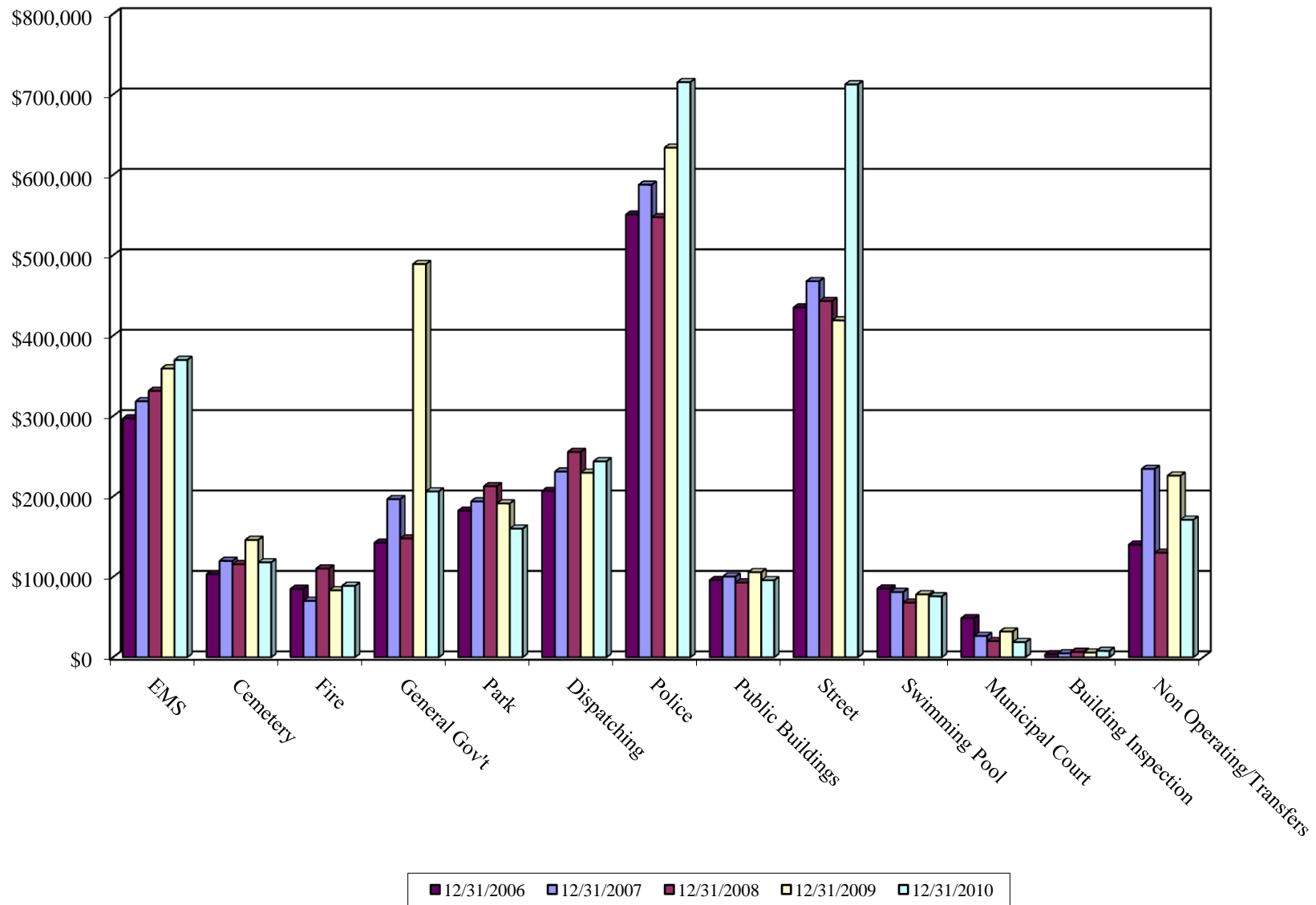
City of Larned Larned, Kansas Unencumbered Cash Balances - Selected Funds



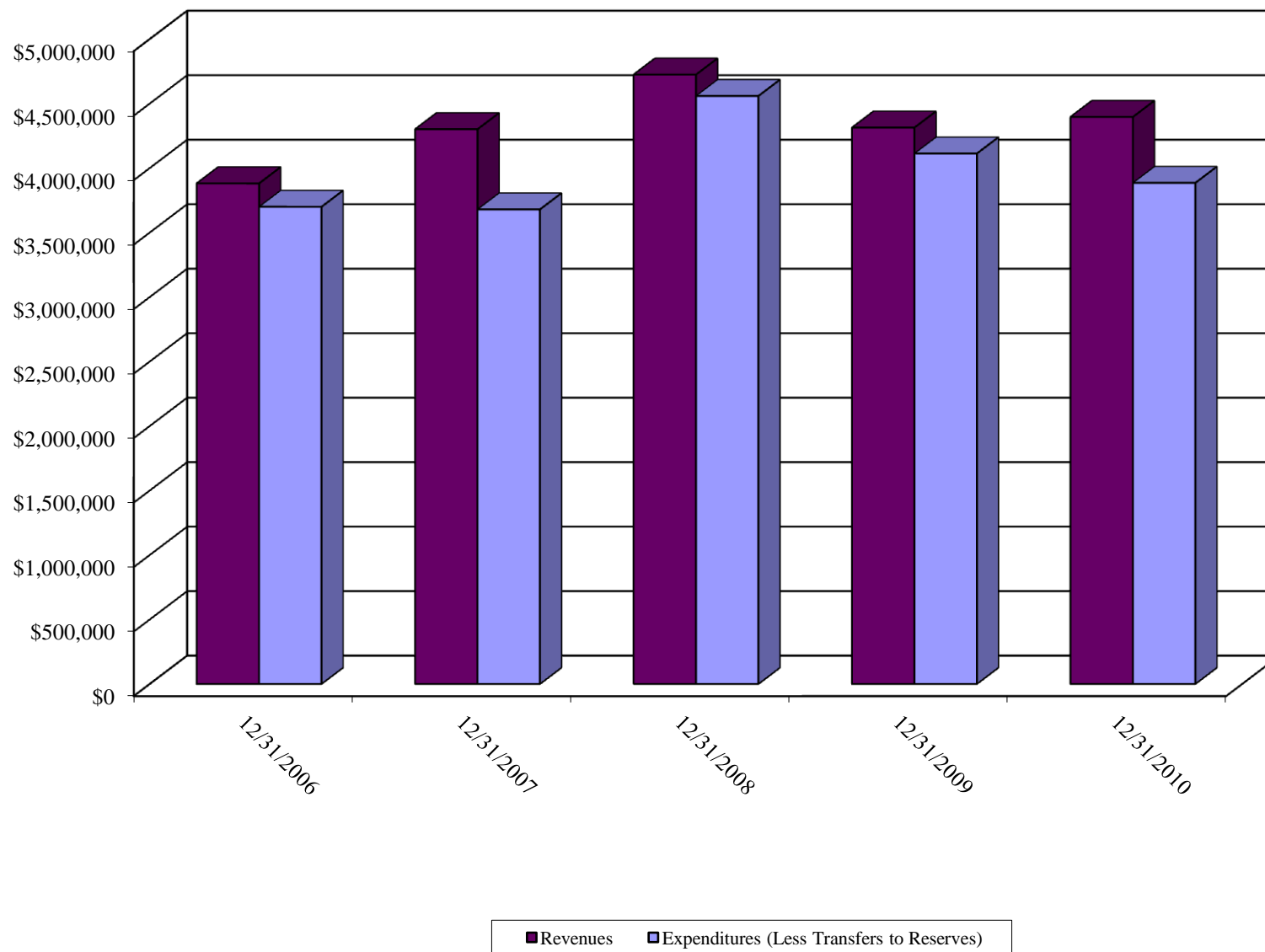
City of Larned Larned, Kansas General Fund Revenues



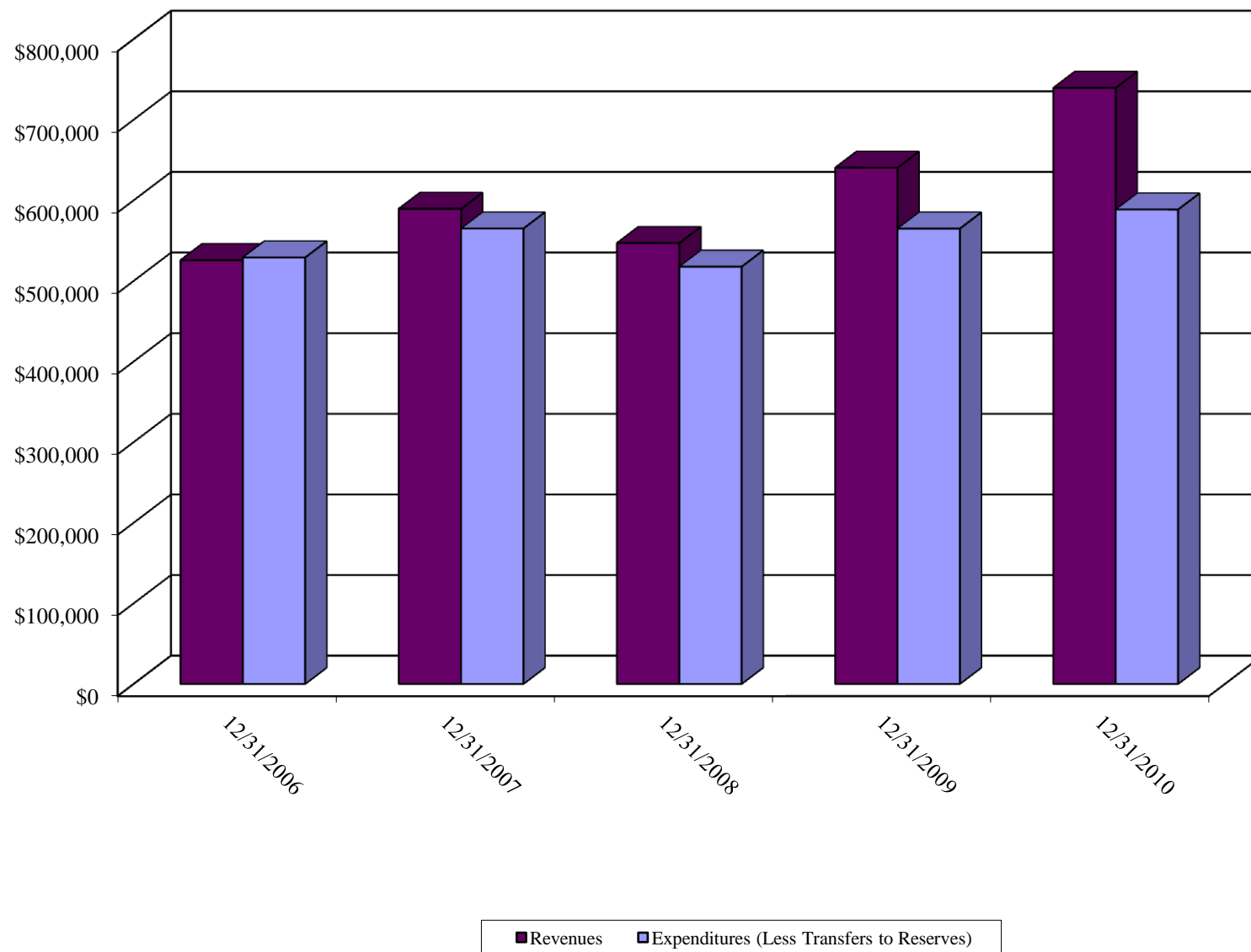
City of Larned **Larned, Kansas** **General Fund Expenditures**



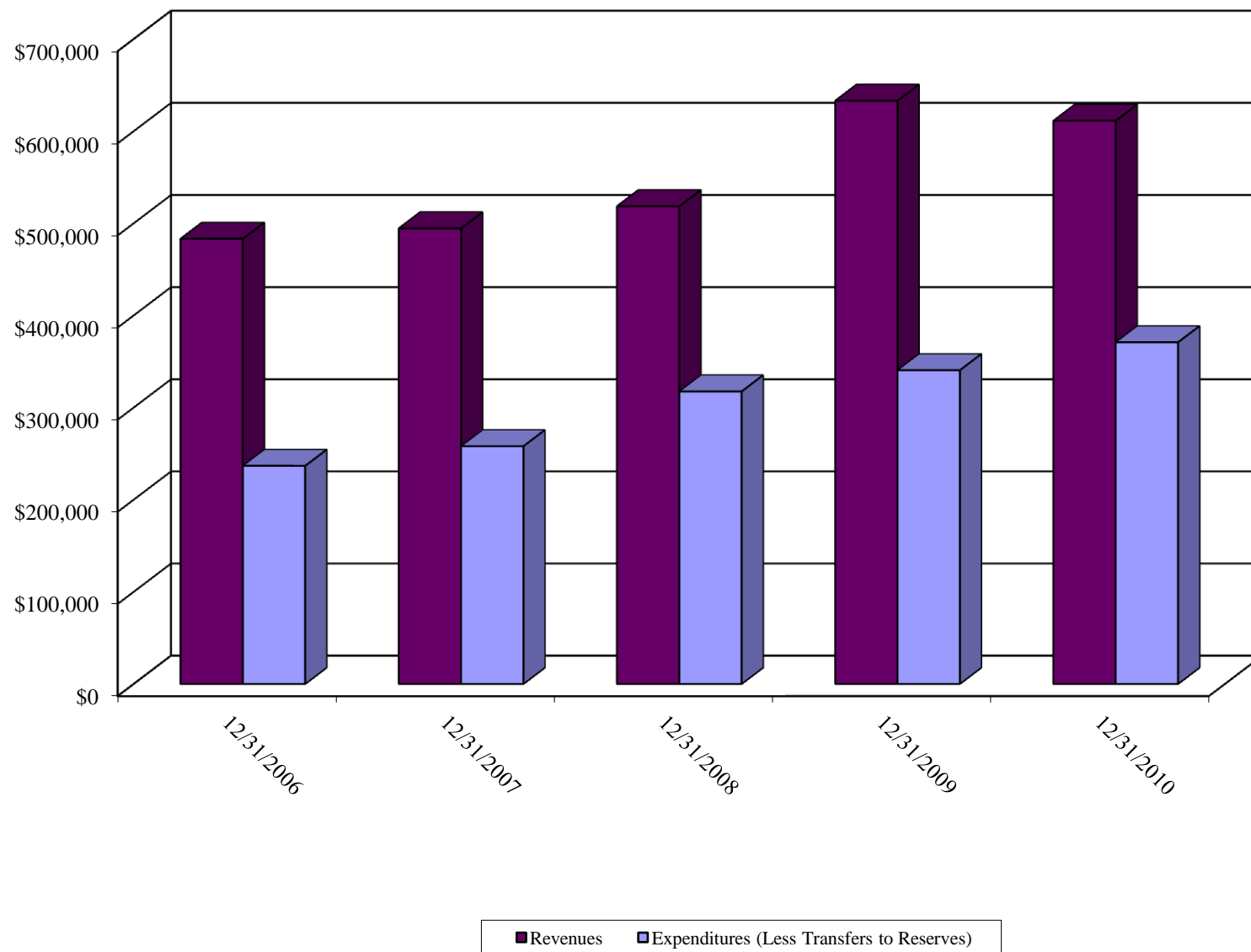
**City of Larned
Larned, Kansas
Electric Utility Fund**



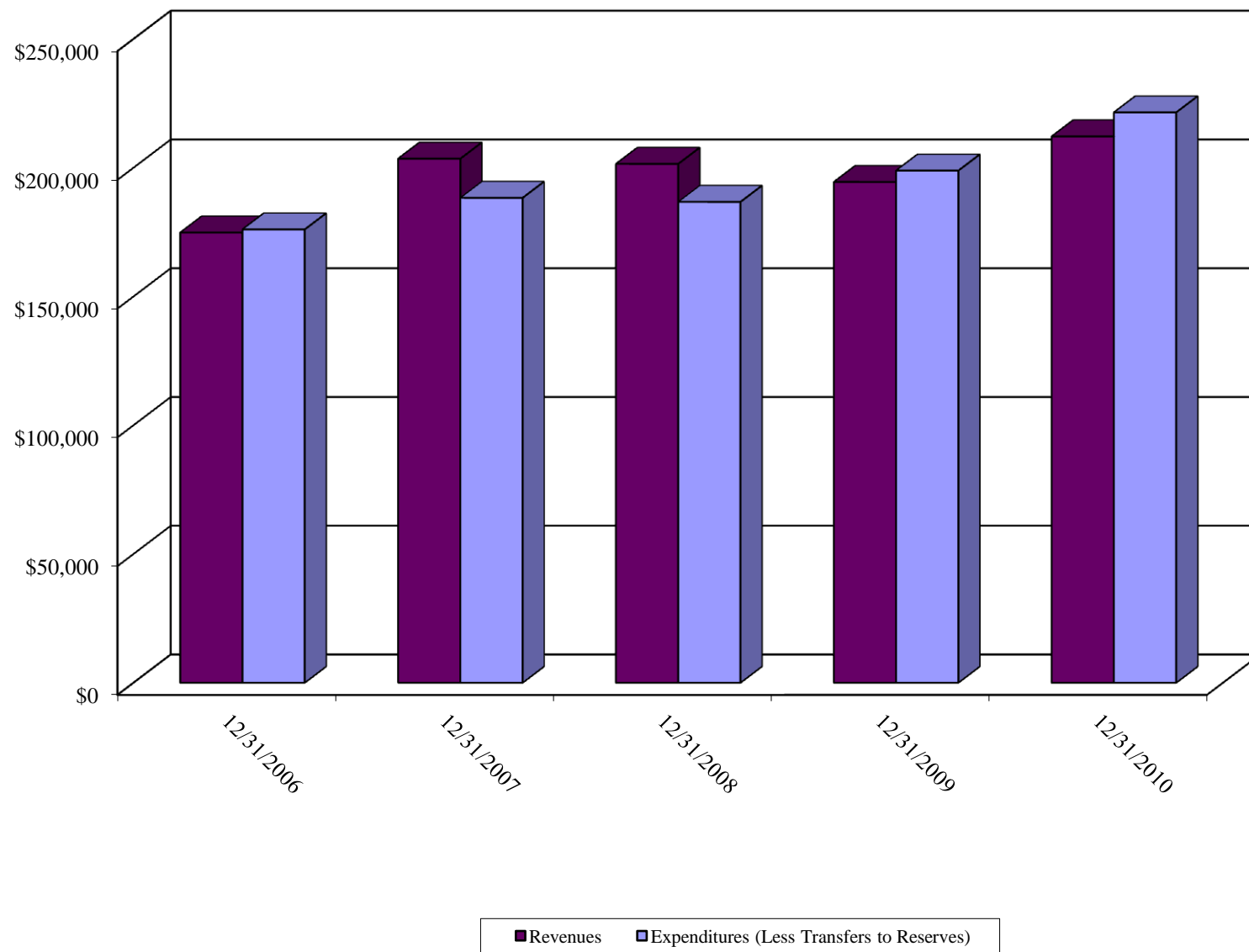
**City of Larned
Larned, Kansas
Water Utility Fund**



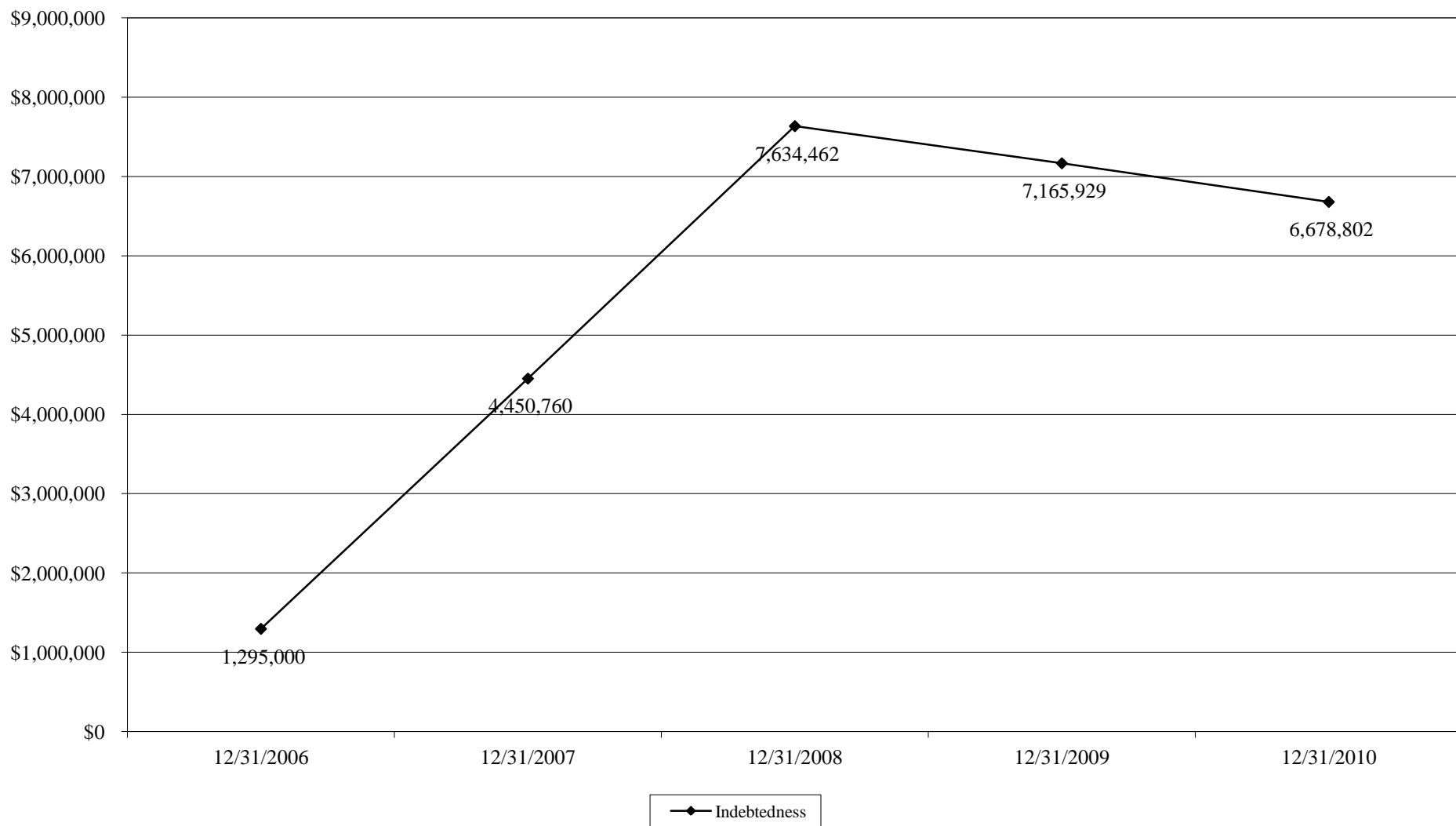
**City of Larned
Larned, Kansas
Sewage Disposal Fund**



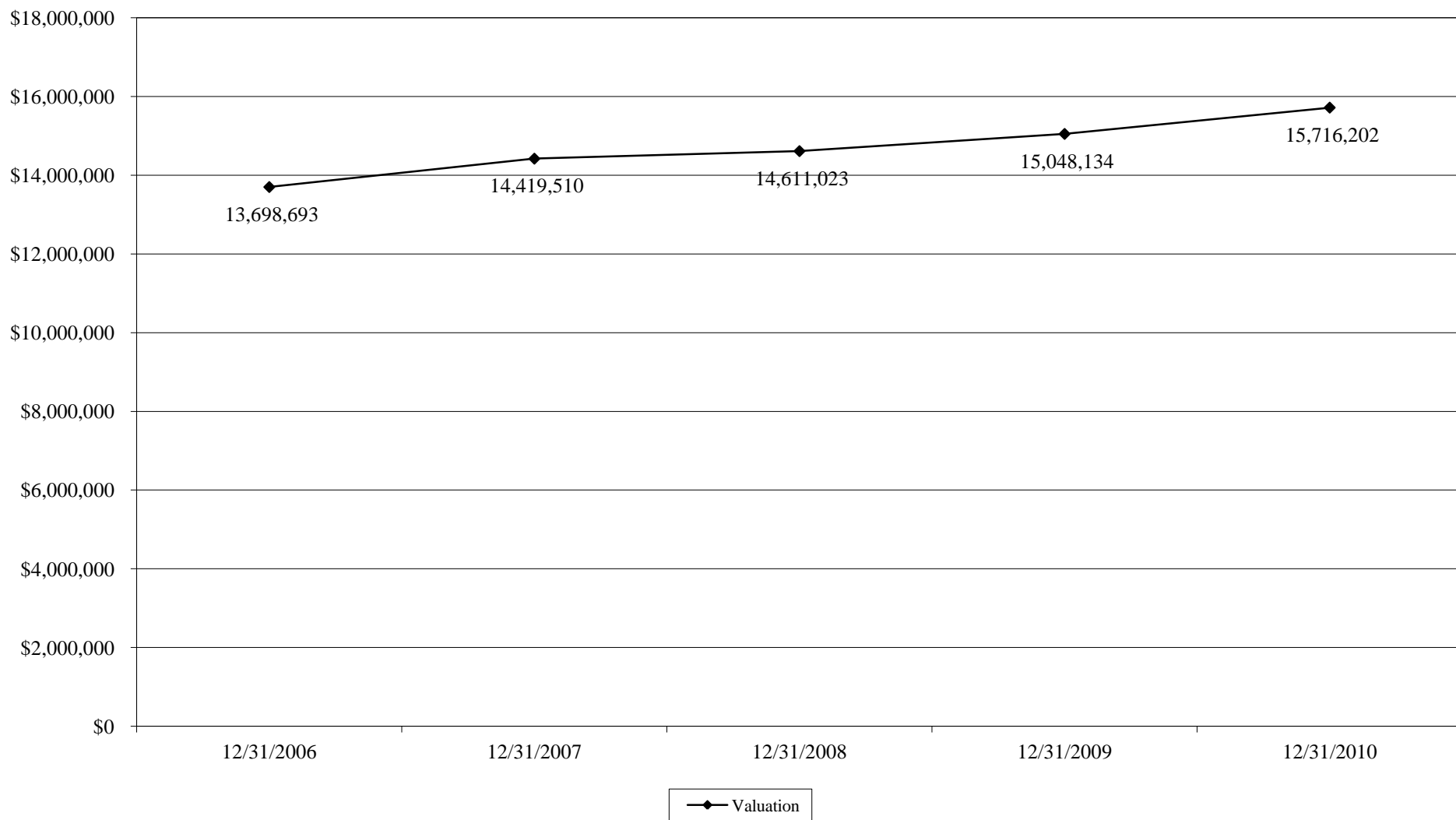
**City of Larned
Larned, Kansas
Solid Waste Fund**



City of Larned
Larned, Kansas
Indebtedness



City of Larned Larned, Kansas Valuation



City of Larned
Larned, Kansas
Mill Rate

